

A great increase in the output of gold from the mines. contributed its share for a dozen years to the rise of prices-and the encouragement of speculation. The average annual production of gold for the twenty years ending with 1890 was \$110,544,000. Then for the twelve years ending with

1902 came an annual average production of \$221,635,000. The total production during these twelve years was \$2,659,624,000, which was nearly 30 per cent, of the total production for the long span of four centuries ending with 1890.¹ The production of the next five years exceeded \$1,850,000,000. Official estimates for these five years are as follows :

GOI/D PRODUCTION OF THE WORI/ D. 1903- 1907-	
Year.	Value.
1903	\$327,702,700*
1904	347,087,300>
1905	"
1906	376,289,200
1907	400,342,200
.....	404,000,000
Total	\$1,855,421,300

When this prodigious total for five years is added to the production of the previous twelve years, a total is obtained for seventeen years of \$4,515,046,000. Thus, within less than twenty years, production reached an amount equivalent to more than half of the entire production of the

preceding four centuries. Even these figures do not reveal the increase in the proportion available for money, which bore a much greater ratio to the pre-existing stock. The amount required for the arts made progress from year to year, but did not keep pace with the ratio of production. If in 1890 about \$60,000,000 was absorbed throughout the world for industrial purposes and the arts, only about \$50,000,000 of the annual product was left available for additions to the monetary stock ; while in 1906, even with a consumption in

¹ *Vide* the figures in. detail in the authors *Principles of Money and Banking*, L, 89.